

Message Text

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PAGE 01 GENEVA 08472 01 OF 02 022150Z
ACTION EB-08

INFO OCT-01 IO-14 ISO-00 AGRE-00 CEA-01 CIAE-00
COME-00 DODE-00 FRB-01 H-02 INR-10 INT-05 L-03
LAB-04 NSAE-00 NSC-05 PA-02 CTME-00 AID-05 SS-15
STR-07 ITC-01 TRSE-00 SP-02 SOE-02 OMB-01 DOE-15
AF-10 ARA-14 EA-12 EUR-12 NEA-11 /163 W
-----058753 022233Z /73

P 022117Z JUN 78
FM USMISSION GENEVA
TO SECSTATE WASHDC PRIORITY 0419
INFO ALL OECD CAPITALS
USICA WASHDC

UNCLAS SECTION 01 OF 02 GENEVA 08472

USMTN

PASS STR FOR INFO
STR PASS CODEL

E.O. 11652: N/A
TAGS: MTN, ETRD
SUBJECT: PRESS CONFERENCE BY SENATORS RIBICOFF AND ROTH,
MAY 30

1. SUMMARY: FOLLOWING DISCUSSIONS WITH US/MTN DEL,
DEVELOPED AND DEVELOPING COUNTRY DELEGATIONS AND GATT D.G.
LONG, SENATOR ABRAHAM RIBICOFF, CHAIRMAN OF THE SENATE
FINANCE COMMITTEE SUBCOMMITTEE ON INTERNATIONAL TRADE, AND
SENATOR WILLIAM V. ROTH, JR., RANKING MINORITY MEMBER OF
THE SUBCOMMITTEE, HELD A WELL ATTENDED PRESS CONFERENCE AT
THE PALAIS DES NATIONS IN GENEVA, MAY 30. THE SENATORS
STRESSED THE NONPARTISAN NATURE OF US TRADE POLICY, OVERALL
CONGRESSIONAL SUPPORT FOR THE MTN AND INDICATED SEVERAL
AREAS OF PARTICULAR CONCERN TO THE CONGRESS REGARDING THE
NEGOTIATIONS. END SUMMARY.

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PAGE 02 GENEVA 08472 01 OF 02 022150Z

2. IN AN INTRODUCTORY STATEMENT SENATOR RIBICOFF POINTED
TO THE FACT THAT ANYTHING PERTAINING TO NON-TARIFF AGREE-
MENTS WILL HAVE TO BE APPROVED BY CONGRESS. HE STATED
THAT OUR TRADE DEFICIT IS A "MATTER OF GREAT CONCERN" TO
THE CONGRESS AS ARE CONTINUING INFLATION AND A DEPRECIAT-
ING DOLLAR. HE THUS PREDICTED THAT ANY TRADE AGREEMENT

"IS GOING TO RUN A ROUGH COURSE, AND WHILE THE WHOLE WORLD LOOKS AT US AS THE MOST IMPORTANT PARTNER IN THE NEGOTIATIONS, YOU CAN'T TAKE FOR GRANTED THAT THE CONGRESS IS GOING TO APPROVE EVERYTHING THAT COMES OUT OF HERE."

3. SENATOR RIBICOFF POINTED OUT THAT CONGRESS HAS NOT BEEN OFFICIALLY INFORMED AS TO ANY SPECIFIC AGREEMENT AND IT WOULD THEREFORE BE PREMATURE TO ASSESS LIKELY CONGRESSIONAL REACTION, BUT THAT THE REACTION WOULD BE NON-PARTISAN. SENATOR ROTH AGREED THAT THE TOKYO ROUND WOULD NOT BE A PARTISAN ISSUE AND THAT IT WOULD BE IMPOSSIBLE TO SAY AT THIS POINT WHAT CONGRESS WILL DO. RESPONDING TO A FOLLOW UP QUESTION, SENATOR RIBICOFF SAID THAT IF CONGRESS DID NOT LIKE THE JULY 15 PACKAGE "BADLY ENOUGH, AND SO INDICATES, AND IF IT WOULD LOOK LIKE THEIR UNHAPPINESS IS SO DEEP THAT IT COULD CAUSE A REJECTION IN THE SPRING OF NEXT YEAR, THEN IT WOULD BE NECESSARY FOR MR. STRAUSS TO COME BACK TO GENEVA WITH THE OTHER TRADING PARTNERS TO TRY TO SEE IF THEY COULD RECONCILE THE DIFFERENCES." SENATOR ROTH STATED THAT THE PURPOSE OF THE CODEL VISIT WAS TO ASSURE CLOSE CONSULTATIONS "SO THAT WE CAN AVOID THAT KIND OF A SITUATION DEVELOPING. MOST OF US ARE VERY ANXIOUS THAT THESE TRADE NEGOTIATIONS SUCCEED."

4. SENATOR RIBICOFF REPORTED THAT IN HIS GENEVA CONVERSATIONS NEGOTIATORS EXPRESSED CONFIDENCE THAT THE JULY 15

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PAGE 03 GENEVA 08472 01 OF 02 022150Z

DEADLINE FOR A POLITICAL AGREEMENT WILL BE MET. HE STATED, HOWEVER, THAT IN HIS VIEW "IT IS GOING TO BE ROUGH."

5. REGARDING SUBSIDY/COUNTERVAIL SENATOR RIBICOFF SAID "I WOULD SAY THAT IS VERY IMPORTANT TO US. I DON'T THINK THAT WE ARE GOING TO SIT BY AND STAND FOR THE CONTINUATION OF BASIC LARGE SUBSIDIES THAT ALMOST EVERYONE BUT THE UNITED STATES INDULGES IN....MY FEELING IS THAT THERE ARE GOING TO HAVE TO BE SUBSTANTIAL DISCIPLINES ON SUBSIDIES ON THE PART OF OUR TRADING PARTNERS IF THEY EXPECT TO GET SUBSTANTIVE RETURNS FROM US." SENATOR ROTH ALSO EMPHASIZED THE IMPORTANCE OF THIS ISSUE TO CONGRESS. HE EXPRESSED HIS BELIEF THAT BORDER TAXES WOULD BE INCLUDED IN THE DISCUSSION.

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6. BOTH SENATORS INDICATED SUPPORT FOR THE DISC. SENATOR RIBICOFF SAID THAT WE SHOULD NOT GIVE UP DISC "UNLESS WE DEFINITELY RECEIVE IN RETURN THE ELIMINATION OF SUBSTANTIAL SUBSIDIES BY OUR TRADING PARTNERS." HE STATED THAT IF THE QUESTION WERE TO ARISE AGAIN IN THE SENATE "I PERSONALLY WOULD BE AGAINST THE ELIMINATION OF DISC UNLESS THERE WAS A COUNTER BALANCE BY THE ELIMINATION OF AN EQUI-

VALENT AMOUNT OF SUBSIDIES BY OUR TRADING PARTNERS." HE NOTED THAT "A VERY SUBSTANTIAL MAJORITY OF THE FINANCE COMMITTEE IS FOR DISC." SENATOR ROTH INDICATED THAT THIS MIGHT BE "AN AREA IN WHICH WE WOULD BE WILLING TO MOVE" ASSUMING ALL PARTIES ARE "WILLING TO GIVE UP EXPORT SUBSIDIES" BUT THAT IT WOULD BE A MISTAKE FOR CONGRESS "TO ELIMINATE DISC UNDER THE CURRENT CIRCUMSTANCES."

7. RESPONDING TO QUESTIONS ABOUT THE JAPANESE ROLE IN THE NEGOTIATIONS SENATOR RIBICOFF SAID THAT IT WAS OBVIOUS

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PAGE 01 GENEVA 08472 02 OF 02 022151Z
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FM USMISSION GENEVA
TO SECSTATE WASHDC PRIORITY 0420
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UNCLAS SECTION 02 OF 02 GENEVA 08472

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STR PASS CODEL

FROM HIS CONVERSATIONS IN WASHINGTON WITH THE PRIME MINISTER AND THE MINISTER OF TRADE "THAT THE JAPANESE TRADE POSTURE HANGS AS A BIG LEAD BALLOON OVER THE FUTURE OF THESE NEGOTIATIONS...I THINK THE JAPANESE ARE FACED WITH A VERY TOUGH DECISION AND IT CAN BE EXPRESSED IN TWO PHRASES. THEY ARE EITHER GOING TO HAVE TO BUY MORE FROM THE UNITED STATES OR SELL LESS, AND THAT GOES, I SUPPOSE, ALSO FOR THE EUROPEAN COMMUNITY. THE JAPANESE HAVE SOME VERY, VERY TOUGH DECISIONS THAT THEY HAVE TO MAKE." SENATOR ROTH UNDERScoreD THE IMPORTANCE OF INCREASING JAPANESE AGRICULTURAL IMPORTS AS WELL AS MANUFACTURED GOODS.

8. A COPY OF THE FULL TRANSCRIPT HAS BEEN SENT VIA INTERNATIONAL AIR MAIL TO MR. DONALDSON, STR, OFFICES OF THE SENATE FINANCE COMMITTEE, HOUSE WAYS AND MEANS COMMITTEE AND EMBASSY TOKYO.
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PAGE 02 GENEVA 08472 02 OF 02 022151Z

9. DRAFTED BY MEYERS. MCDONALD

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